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CVR no. 20 22 26 70

**FREEHAND COFFEE COMPANY A/S**  
**KLOKKESTØBERVEJ 3, 5230 ODENSE M**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 16 June 2023**

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**Michael Schiedel**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 29 52 77 68**

**CONTENTS**

	<b>Page</b>
<b>Company Details</b>	
Company Details.....	3
<b>Statement and Report</b>	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
<b>Management Commentary</b>	
Financial Highlights.....	7-8
Management Commentary.....	9-14
<b>Financial Statements 1 January - 31 December</b>	
Income Statement.....	15
Balance Sheet.....	16-17
Equity.....	18
Cash Flow Statement.....	19
Notes.....	20-22
Accounting Policies.....	23-25

**COMPANY DETAILS**

<b>Company</b>	Freehand Coffee Company A/S Klokkestøbervej 3 5230 Odense M  CVR No.: 29 52 77 68 Established: 20 April 2006 Municipality: Odense Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Frans Van Tilborg, chairman Philip Wouters Michael Schiedel
<b>Executive Board</b>	Michael Schiedel
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>Bank</b>	Danske Bank
<b>Law Firm</b>	Agenda Advokater Asylgade 7 5000 Odense C

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Freehand Coffee Company A/S for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Odense, 13 June 2023

Executive Board

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Michael Schiedel

Board of Directors

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Frans Van Tilborg  
Chairman

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Philip Wouters

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Michael Schiedel

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Freehand Coffee Company A/S

#### Opinion

We have audited the Financial Statements of Freehand Coffee Company A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 13 June 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Ole C. K. Nielsen  
State Authorised Public Accountant  
MNE no. mne23299

**FINANCIAL HIGHLIGHTS**

	2022	2021	2020	2019	2018
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Income statement</b>					
Gross profit/loss.....	27.623	25.275	26.766	23.754	21.693
Operating profit/loss of main activities...	2.760	4.574	4.636	-1.542	-8.130
Financial income and expenses, net.....	-545	-217	-453	-575	-960
Profit/loss for the year.....	3.388	4.938	4.204	-2.267	-8.579
<b>Balance sheet</b>					
Total assets.....	39.629	48.478	39.184	38.169	31.665
Equity.....	5.796	2.409	-2.529	-6.733	-4.466
Invested capital.....	3.874	1.668	-1.066	6.838	-8.570
<b>Cash flows</b>					
Investment in property, plant and equipment.....	-1.707	-1.274	-263	-367	-365
<b>Key ratios</b>					
Return on invested capital.....	99,6	1.519,6	178,0	131,0	232,3
Equity ratio.....	14,6	5,0	Neg.	Neg.	Neg.
Return on equity.....	82,6	Neg.	Neg.	Neg.	Neg.

## FINANCIAL HIGHLIGHTS

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	$\text{Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$
Equity ratio:	$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$



## MANAGEMENT COMMENTARY

### **Principal activities**

The company's main activity is to provide sustainable coffee/hot beverage solutions to the Danish BtB/office segment. The business also provides vending machines and payment card systems as well as related services. The company is embarking on a sustainability strategy by providing solutions which have an environmental and/or social development footprint.

### **Development in activities and financial and economic position**

The company's main activity is to supply sustainable coffee/hot drink solutions to the Danish BtB/office segment. The company provides complete end-to-end coffee solutions consisting of coffee machines, a multitude of ingredients and service agreements. All based on a strong focus on running a sustainable business with a focus on reducing our environmental footprint while running a company with high social standards.

After the change of ownership in June 2018, the company has gone through a drastic restructuring process. Some business activities have been wound down to allow the company to focus on core competencies. The strategy defined in 2018 to embark on a journey towards building the company around a core of strong values and attitudes towards sustainability.

Freehand Coffee is part of the MIKO Group and together with its Danish sister company MIKO Coffee ApS we rank among the 3 largest providers specializing in BtB office coffee solutions in Denmark.

### ***Values and employee well-being***

We are a company characterized by strong values and attitudes, and we continuously work to bring life and meaning to our core values. During 2022, a campaign was carried out among the employees to ensure an understanding and compliance with these values.

### ***Employee satisfaction***

We conduct an external analysis annually to uncover our employees' motivation, satisfaction, commitment and loyalty. The measurement is an important indication of how we are doing and how we feel, and the numbers are important to us. But even more important is our unity and inclusiveness towards each other in everyday life, and we strengthen this with joint events, the monthly employee newsletter "Bønneyt" and a good atmosphere in the offices. We are particularly proud of two statements from the analysis:

"Overall, I am very satisfied with my job at MIKO Freehand Coffee Company" 92% agree  
"I also want to work for MIKO Freehand Coffee Company in 2 years from now" 92% agree

### **Profit/loss for the year compared to expectations**

The accounts show a result of DKK 3,387,541 for the year and an equity of DKK 5,796,101 at the end of 2022, which is considered to be satisfactory.

The financial result for 2022 is considered to be satisfactory - especially in light of the circumstances of disruption due to the IT project and the rather significant marketing investments. The business continues to recover from the Covid-19 impact and it is our experience that the scope of home office has been reduced. This trend has a positive impact on ingredient sales.

In the year 2022, the coffee industry has been affected by a sharp increase in the cost of coffee and related services, which has made it difficult to balance the costs the company was hit by from the supplier side. During 2022, the company has failed to implement and communicate the full effect of these price increases to customers, which is reflected in a decrease in relative earnings. On the other hand, the company has caught up a lot on further efficiency improvements in work processes.

In 2022, the company increased its marketing activities, which led to a significant increase in awareness of Freehand Coffee and spurred quite significant growth in the company's customer portfolio. By the end of 2022, the company has achieved considerable growth in the number of new customers (+24%).

## MANAGEMENT COMMENTARY

### **Profit/loss for the year compared to expectations (continued)**

At the beginning of 2022, the company has undergone a thorough change of IT systems via the introduction of a new ERP system, which has had a fairly extensive impact on almost all work functions and business processes in the company. The implementation went relatively smoothly and ensures the company a solid foundation to scale for growth.

Customer satisfaction: In 2022, the company experienced satisfactory customer feedback on "technical service" and "coffee experience". The company again managed to resolve >90% of technical service calls within the 8 hour guarantee. The company views technical service as a core competency in the BtB coffee business and will continue to invest in people, training and systems to remain best in class. We fundamentally believe in customer satisfaction and retention as the backbone of running our business. It is rooted in the company's core values: "we treat customers the same way you treat a good friend".

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

### **Future expectations**

The underlying business model is solid. The customer satisfaction and employee engagement are all showing very positive indications, which is why the company will expect a positive result in 2023 and the following years. Profit for 2023 is expected to increase by 5 % compared to 2022.

## **Corporate social responsibility (CSR) report**

### ***Freehand coffee core values***

#### **#1 Accountability**

We take responsibility as a company - to give our customers the greatest possible value, to give people better living conditions, and to behave with a high degree of sustainability in order to protect our planet.

#### **#2 Honesty**

We are honest in our advice and reporting and never sell a cup of coffee we wouldn't drink ourselves. We say things as they are - even when it is sensitive.

#### **#3 We play together - we listen and we care**

We have two ears and only one mouth, which is why we spend twice as much time listening to and understanding the needs of our customers and suppliers - before coming up with solutions.

#### **#4 We make an effort**

We are skilled and competent. With us, you don't just buy a quick fix solution - we guarantee sustainable solutions in the long run.

#### **#5 We have fun**

We are a workplace where you want to come every day - the ceilings are high here, we feel good with each other and we have fun while we make a difference.

## ***Sustainability***

Action must be taken, and consumers are demanding sustainability like never before. Sustainability is becoming business critical - also for the coffee industry. Every single day, 3 billion cups of coffee are drunk in the world, and the number is steadily increasing. In Denmark, we love coffee, and we each consume an average of 7.4 kg of coffee per year.

But drinking coffee today is bittersweet. 25 million small farmers produce the vast majority of the world's coffee - often under unfair conditions. The coffee industry underpays farmers, rainforests are cut down every day to plant coffee, and climate change is affecting forest ecosystems and the coffee harvest.

## MANAGEMENT COMMENTARY

### **Corporate social responsibility (CSR) report (continued)**

Coffee's journey from the berry on the bush to the finished cup is a long one. It crosses borders and oceans, changes hands and is processed - and leaves a climate footprint all the way. At Freehand Coffee Company, we strive to map all stages of coffee's journey, so that we can document everything and put in the right efforts. At the same time, we think of coffee's life as a cycle, a circular journey, where we bring value back to the land and the farmers who make the coffee we sell.

There is always an economic reality to deal with. We cannot survive as a company by doing philanthropy alone, and "The Three P's Principle" - People, Planet and Profit applies to all companies' bottom line.

Through our initiatives and products, we work to create value and prosperity in all links of the value chain and with all players, from the coffee farmer to the coffee drinker. We aim for prosperity, Prosperity, for all rather than profit for ourselves alone.

In practice we give 2% of our turnover back to nature or the small coffee farmers through various initiatives. And we are in close contact with both the coffee farmer and the coffee customer, and we tell them what we do and do what we say. People, Planet and Prosperity - these are the 3 P's that permeate everything we do. Deep down, our approach to business is about the first two P's, because then the third P will come by itself.

Conducting business based on ethical and moral standards can be difficult in a capitalist world. You have to respect the economic reality in order to be responsible all the way around. As part of the MIKO group, we originate from a family-owned company that has been roasting coffee since 1801. These are traditions for generations - and that obliges.

That's why we are running our business on a long term perspective, and we follow a moral compass that reaches more than a quarter or a year into the future. We want to help set new, high standards for more sustainable coffee - also far into the future.

During 2022, the company has worked to update the CSR report, which will be published at the beginning of 2023. The aim is to describe the way in which the company works towards acting responsibly and balanced and sustainably as a coffee company. We are on our way - but not quite there - to create a more fair and sustainable coffee industry.

### ***Our coffee products***

#### **PURO Coffee**

PURO is a CO<sub>2</sub>-balanced coffee. This means that for every bag of Puro coffee sold, 20 m<sup>2</sup> of rainforest is purchased and protected - and this compensates for the CO<sub>2</sub> emitted during the production, harvesting, roasting and shipping of the coffee.

Puro is our absolute premium coffee. The Puro concept was founded in 2005 with the ambition to contribute to more sustainable coffee farming with consideration for the environment, climate and the people who grow the coffee. All the coffee from Puro is carefully selected from hundreds of small local Fairtrade-certified farms, which means that the coffee farms are guaranteed fair conditions and a higher price for their coffee than on the world market. The farmers can use the extra income for investments in schools, forest plantations or improvements to their farms.

Since the foundation, 2% of the entire turnover from the sale of Puro coffee has also been donated to the organization World Land Trust, which works to buy and protect endangered rainforests throughout the world. With the sale of Puro coffee, there are now 524 km<sup>2</sup> of protected rainforest distributed over 18 protected Puro reserves in 11 coffee-producing countries. Two new species have even been found in the protected rainforests: the Puro frog and the Puro orchid.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued) *CO2 compensation - is it the solution?*

We are very aware that CO2 neutrality achieved through compensation through rainforest protection is an insufficient solution - like a plaster on a wound. Therefore, in the long term, our ambition is to reduce the overall climate footprint that our coffee purchases leave. We cannot do it alone, and our ambitions are inextricably linked to our customers' wishes. That is why we continuously advise our customers to buy organic and Fairtrade-branded coffee, choose energy-saving machines, recycle coffee grounds and phase out single-use packaging.

#### *Freehand Coffee*

Freehand's own coffee brand is certified coffee of the very highest quality. The coffee is roasted at Miko's own roastery in Belgium and has a sustainable purpose.

From 2023, all our Freehand coffee has certifications or labels from either the Rainforest Alliance, Fairtrade, Ecology and with the Freehand Foundation label, which is our own CSR project. Freehand Foundation helps local coffee farmers to a sustainable livelihood through our sale of coffee. Together with our customers, we donate 2% of the turnover, which goes directly to buy land and establish coffee plantations.

Ownership of the land and the plantations is transferred to the local farmers and so called "cortadores" (seasonal workers) on microloan models, whereby the money must only be repaid when the plantations are ready for the first harvest after approx. 3-4 years.

#### *Our visions with our coffee products*

In 2023, will switch to exclusively selling certified and labeled coffee and tea. This means that all of our ingredients have at least one of these labels:

- Fair trade
- Ecology
- Rainforest alliance
- Freehand Foundation

#### *UN Global goals*

Respect for people, the environment and prevention of corruption. Freehand Coffee Company is based on sustainability in all aspects. Our entire business is therefore imbued with the ten principles of responsible business management, to which our commitment to the UN's Global Compact commits us.

#### *Global Compact's 10 principles - Policies and Compliance*

At Freehand Coffee Company, we have chosen to commit ourselves to 10 principles for responsible business operations, which are agreed upon in the world's largest voluntary initiative for responsible companies, the UN's Global Compact. The principles deal with Human Rights, Labor Rights, Environment and Anti-corruption. The mission is for the world's companies to stand together to promote broader social and environmental goals such as the Global Goals, and the goal is to work with sustainability as value-creating for the core business.

Here you can see the 10 principles that make up our policies in all areas of our business operations, and our strategies for complying with them.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued)

#### *Human rights*

Principle 1: Companies should support and respect the protection of internationally proclaimed human rights within the company's sphere of influence; and

Principle 2: Ensure that they do not contribute to violations of human rights

Freehand's strategy for compliance:

- Our Code of Conduct ensures that we and our suppliers comply with human rights, and we carry out ongoing due diligence on suppliers through close dialogue.
- We have an Open Door policy, which ensures that employees and suppliers are aware of human rights issues and that there are channels for reporting violations.

#### *Labor rights*

Principle 3: Businesses should uphold freedom of association and recognize workers' right to collective bargaining; and

Principle 4: support the eradication of all forms of forced labour; and

Principle 5: support the abolition of child labour; and

Principle 6: eliminate discrimination in work and employment

Freehand's strategy for compliance:

- We respect workers' right to organize and work actively to ensure that the small farmers who supply us join together in cooperatives and partnerships to stand stronger.
- Our Code of Conduct prohibits all forms of coercion or forced labour.
- The largest possible part of our coffee is labeled Fairtrade, which ensures compliance with the principles.
- We work continuously to create equal employment opportunities and fair treatment of all employees, this also includes our suppliers in the coffee-producing countries.

#### *Environment*

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: take initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Freehand's strategy for compliance:

- We work from a Life Cycle Analysis on the coffee supply chain to identify the areas where we can limit our environmental impact.
- We strive for the largest possible proportion of our products to be certified with brands that set specific goals to reduce their negative impact.

## MANAGEMENT COMMENTARY

### Corporate social responsibility (CSR) report (continued) *Anti-corruption*

Principle 10: Companies should oppose all forms of corruption, including extortion and bribery

Freehand's strategy for compliance:

- We carry out due diligence of suppliers via our Code of Conduct.
- We continuously inform our employees about anti-corruption measures and risks of corruption.

#### *Freehand's Open Door Policy*

At Freehand Coffee Company, we have a clear Open door policy, which ensures that we and our suppliers live up to human rights and workers' rights.

We therefore encourage all employees and suppliers' employees to report to management if they experience violations or infringements of the Global Compact's ten principles for responsible and sustainable business operations. We encourage all employees to read and understand the ten principles found in the company's CSR report.

#### 1: Security

You can report any violations or suspected violations safely, securely and without reprisals.

#### 2: Confidentiality

Reporting can be done directly to a member of management either in person, by telephone or by email, and the employee is guaranteed complete confidentiality.

#### 3: Action

If an employee reports a violation, the company undertakes to thoroughly note, investigate and follow up on the situation, and to act immediately when possible.

#### 4: Follow-up

The management undertakes to follow up on the case and inform the employee who reported the problem and ensure that the employee receives the possible help that person needs.

#### *The UNSDG in practice - a direction marker*

In our company, we support the UN's global goals. The 17 global goals and 169 sub-goals form the common plan for peace and prosperity for all people on the planet, and we have used the global goals to identify the areas where we as a company make a mark and can make a difference.

In our work, we focus on five of the 17 World Goals. We have selected the five goals based on where we have the greatest negative impact and where we can best contribute positively. We use them, so to speak, as a direction marker for our work.

We don't give up because it's difficult. We have a sincere desire to do what we can to push the coffee industry in a more responsible and balanced direction. It may sound like an idealistic and difficult goal. But it's basically about authenticity and transparency in everything we do.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	Note	2022 DKK	2021 DKK
<b>GROSS PROFIT</b> .....	1	<b>27.623.083</b>	<b>25.274.666</b>
Staff costs.....	2	-24.144.727	-20.331.755
Depreciation, amortisation and impairment losses.....		-717.932	-368.441
<b>OPERATING PROFIT</b> .....		<b>2.760.424</b>	<b>4.574.470</b>
Income from investments in .....		0	526
Other financial income.....		200	38.068
Other financial expenses.....	3	-545.040	-255.034
<b>PROFIT BEFORE TAX</b> .....		<b>2.215.584</b>	<b>4.358.030</b>
Tax on profit/loss for the year.....	4	1.171.957	580.000
<b>PROFIT FOR THE YEAR</b> .....	5	<b>3.387.541</b>	<b>4.938.030</b>

**BALANCE SHEET AT 31 DECEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Leasehold improvements.....		305.638	341.729
Other investment assets.....		2.098.097	1.072.747
<b>Property, plant and equipment.....</b>	<b>6</b>	<b>2.403.735</b>	<b>1.414.476</b>
Rent deposit and other receivables.....		169.825	160.741
<b>Financial non-current assets.....</b>	<b>7</b>	<b>169.825</b>	<b>160.741</b>
<b>NON-CURRENT ASSETS.....</b>		<b>2.573.560</b>	<b>1.575.217</b>
Finished goods and goods for resale.....		18.328.884	16.068.966
<b>Inventories.....</b>		<b>18.328.884</b>	<b>16.068.966</b>
Trade receivables.....		12.470.502	27.383.893
Receivables from group enterprises.....		1.061.156	574.327
Deferred tax assets.....	8	1.751.957	580.000
Other receivables.....		0	149.104
Prepayments and accrued income.....	9	544.795	189.032
<b>Receivables.....</b>		<b>15.828.410</b>	<b>28.876.356</b>
<b>Cash and cash equivalents.....</b>		<b>2.898.029</b>	<b>1.957.224</b>
<b>CURRENT ASSETS.....</b>		<b>37.055.323</b>	<b>46.902.546</b>
<b>ASSETS.....</b>		<b>39.628.883</b>	<b>48.477.763</b>



## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....	10	800.000	800.000
Retained earnings.....		4.996.101	1.608.560
<b>EQUITY.....</b>		<b>5.796.101</b>	<b>2.408.560</b>
Bank debt.....		119.328	61.925
Trade payables.....		4.115.292	3.582.496
Payables to group enterprises.....		21.535.346	22.202.533
Other liabilities.....		6.509.403	9.721.329
Accruals and deferred income.....	11	1.553.413	10.500.920
<b>Current liabilities.....</b>		<b>33.832.782</b>	<b>46.069.203</b>
<b>LIABILITIES.....</b>		<b>33.832.782</b>	<b>46.069.203</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>39.628.883</b>	<b>48.477.763</b>
 Contingencies etc.	 12		
 Charges and securities	 13		
 Related parties	 14		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	800.000	1.608.560	2.408.560
Proposed profit allocation, refer note 5.....		3.387.541	3.387.541
<b>Equity at 31 December 2022.....</b>	<b>800.000</b>	<b>4.996.101</b>	<b>5.796.101</b>

**CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>2022</b> DKK	<b>2021</b> DKK
Profit/loss for the year.....	3.387.541	4.938.030
Depreciation and amortisation, reversed.....	717.932	368.441
Profit/loss from subsidiaries.....	0	-526
Tax on profit/loss, reversed.....	-1.171.957	-580.000
Change in inventories.....	-2.259.918	-4.755.872
Change in receivables (ex tax).....	14.219.903	-5.446.202
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-12.293.824	6.256.377
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>2.599.677</b>	<b>780.248</b>
Purchase of property, plant and equipment.....	-1.707.203	-1.273.597
Sale of property, plant and equipment.....	12	0
Purchase of financial assets.....	-9.084	-160.741
Sale of financial assets.....	0	75.930
Instalments on non-current lending and current investments.....	0	356.421
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-1.716.275</b>	<b>-1.001.987</b>
Instalments on loans.....	0	-1.895.330
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>0</b>	<b>-1.895.330</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>883.402</b>	<b>-2.117.069</b>
Cash and cash equivalents at 1. januar.....	1.895.299	4.012.368
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>2.778.701</b>	<b>1.895.299</b>
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	2.898.029	1.957.224
Bank overdraft.....	-119.328	-61.925
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>2.778.701</b>	<b>1.895.299</b>

## NOTES

	2022 DKK	2021 DKK	Note
<b>Special items</b>			<b>1</b>
Government covid-19 relief package (salary compensation).....	653.154	2.214.517	
	<b>653.154</b>	<b>2.214.517</b>	
<b>Staff costs</b>			<b>2</b>
Average number of employees	46	38	
Wages and salaries.....	20.549.788	17.537.113	
Pensions.....	2.609.615	2.187.146	
Social security costs.....	389.972	315.973	
Other staff costs.....	595.352	291.523	
	<b>24.144.727</b>	<b>20.331.755</b>	
In accordance with the Danish Financial Statements Act § 98b, stk. 3, information on remuneration of board and management has not been disclosed.			
<b>Other financial expenses</b>			<b>3</b>
Group enterprises.....	215.514	221.858	
Other interest expenses.....	329.526	33.176	
	<b>545.040</b>	<b>255.034</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Adjustment of deferred tax.....	-1.171.957	-580.000	
	<b>-1.171.957</b>	<b>-580.000</b>	
<b>Proposed distribution of profit</b>			<b>5</b>
Retained earnings.....	3.387.541	4.938.030	
	<b>3.387.541</b>	<b>4.938.030</b>	

## NOTES

			Note
<b>Property, plant and equipment</b>			<b>6</b>
	Leasehold improvements	Other investment assets	
Cost at 1 January 2022.....	1.278.114	4.298.438	
Additions.....	0	1.707.177	
Disposals.....	-642.294	-2.898.030	
<b>Cost at 31 December 2022.....</b>	<b>635.820</b>	<b>3.107.585</b>	
Depreciation and impairment losses at 1 January 2022.....	936.384	3.225.690	
Reversal of depreciation of assets disposed of.....	-770.106	-2.770.230	
Depreciation for the year.....	163.904	554.028	
<b>Depreciation and impairment losses at 31 December 2022....</b>	<b>330.182</b>	<b>1.009.488</b>	
<b>Carrying amount at 31 December 2022.....</b>	<b>305.638</b>	<b>2.098.097</b>	
 <b>Financial non-current assets</b>			 <b>7</b>
		Rent deposit and other receivables	
Cost at 1 January 2022.....		160.741	
Additions.....		9.084	
Disposals.....		0	
<b>Cost at 31 December 2022.....</b>		<b>169.825</b>	
Revaluation at 1 January 2022.....		0	
Reversal of revaluations due to disposal.....		0	
<b>Revaluation at 31 December 2022.....</b>		<b>0</b>	
<b>Carrying amount at 31 December 2022.....</b>		<b>169.825</b>	
 <b>Deferred tax assets</b>			 <b>8</b>
Provision for deferred tax comprises deferred tax on losses carried forward and tangible fixed assets.			
	2022 DKK	2021 DKK	
Deferred tax, beginning of year.....	580.000	0	
Deferred tax, movement.....	1.171.957	580.000	
<b>Deferred tax assets 31 December 2022.....</b>	<b>1.751.957</b>	<b>580.000</b>	

The Company's deferred tax assets are recognized in the balance sheet with 1,752 thousand. The tax asset solely relates to differences between tax legislation and accounting principles. The tax asset is recognized on the basis of expectations of positive tax surpluses over the next years. The assessments are based on the Company's budgets for the following periods. The budget statements have been prepared in accordance with the Company's normal budget procedure.

## NOTES

	2022 DKK	2021 DKK	Note
<b>Prepayments and accrued income</b>			<b>9</b>
Costs.....	544.795	189.032	
	<b>544.795</b>	<b>189.032</b>	
<b>Share capital</b>			<b>10</b>
Allocation of share capital:			
Aktier, 800.000 unit in the denomination of 1 DKK.....	800.000	800.000	
	<b>800.000</b>	<b>800.000</b>	
<b>Accruals and deferred income</b>			<b>11</b>
Prepayments are prepaid income received in subsequent years.			
<b>Contingencies etc.</b>			<b>12</b>
<b>Other contingent assets</b>			
The company has an unrecognized deferred tax asset amounting to DKK ('000) 21.498 on 31 December 2022.			
<b>Contingent liabilities</b>			
<b>Rental and lease commitments</b>			
The company has rental commitment with a notice period of 6 months. The rental commitment in the interminable period is DKK ('000) 163.			
The company has entered into lease agreements with a total monthly lease payment of DKK('000) 94. The total residual lease commitment amounts to DKK('000) 2,498.			
<b>Joint liabilities</b>			
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.			
Tax payable on the Group's joint taxable income is stated in the annual report of Miko Coffee ApS, which serves as management company for the joint taxation.			
<b>Charges and securities</b>			<b>13</b>
The company has not given any collateral or securities during the year.			
<b>Related parties</b>			<b>14</b>
The Company's related parties include:			
<b>Controlling interest</b>			
Miko Koffie NV., Steenweg op Mol 177, 2300 Turmhout, Belgium.			
<b>Transactions with related parties</b>			
The company did not carry out any substantial transactions that were not concluded on market conditions.			

## ACCOUNTING POLICIES

The Annual Report of Freehand Coffee Company A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

### INCOME STATEMENT

#### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement when sales is considered effected based on the following criterias;

- Supply and risk transfer to purchaser has taken place before the end of the year,
- A binding sales agreement has been made,
- Income can be measured reliably, and
- Payment has been received or may with resonable certainty be expected to be received.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

#### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

#### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

#### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

#### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

**ACCOUNTING POLICIES**

**BALANCE SHEET**

**Tangible fixed assets**

Production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-7 years	0 kr.
Leasehold improvements.....	5 years	0 kr.

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

**Financial non-current assets**

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

**Impairment of fixed assets**

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

**Inventories**

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

**Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

**Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.



## ACCOUNTING POLICIES

### Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the term of loan.

Amortised cost for short-term liabilities usually corresponds to the nominal value.

### Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

## CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

### Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

### Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

### Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

### Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.